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he does not obscure truth by giving contradicting opinions he gives as the sole word on a problem the simple dogmatic statement of some other writer. This is hardly conducive to the progress of accounting, for the science is so young that no man can yet have earned the right to be quoted as a final authority. When, on the other hand, Mr. Hatfield puts his modesty aside and comes out squarely to state and defend his own opinion, he is so sane that we doubly regret his reticence in other matters. Just such clear thinking is needed to solve some of the accounting problems that perplex the business world.

In a book arranged on the plan of monograph chapters, instead of that of progressive complexity, much repetition and possible vagueness of definition is unavoidable. Professor Hatfield has apparently attempted to make each chapter reasonably clear to a reader who is interested chiefly in the subject of that chapter, and consequently he has repeated many points several times. For example, in the chapter on capital stock he points out that national bank stock is often originally subscribed at a premium so that a surplus may be provided at the start (p. 155); in the chapter on profits, he wishes to show that profit and loss account may contain credit items not really profit, and again tells us that national bank stock is often subscribed at a premium (p. 222); finally, in the chapter on surplus, he finds it necessary to tell us this again (p. 234). Occasionally the reverse is true, for he wishes to use a term before he has defined it. Thus on p. 267 in the chapter on sinking funds, he tells us that in a certain case a sinking fund is taken out of net income and not out of earnings, but not until the next chapter (p. 282) does he define income and earnings. Occasional apparent contradictions result also from this sort of arrangement. For example, on pp. 141 and 241 we are told that reserves may be provided for contingencies, such as unexpected obsolescence of machinery, but on p. 290 the possibility of this sort of thing is wholly neglected in the criticism of certain corporations.

On the whole, the book is heartily to be commended for the sanity of the author's individual judgments, for its gathering of information about the practice, or lack of uniformity in practice, of modern accounts, and for its encyclopaedic character.

WILLIAM MORSE COLE

HARVARD UNIVERSITY

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*Philanthropy and the State, or Social Politics.* By B. KIRKMAN GRAY; edited by ELEANOR KIRKMAN GRAY AND B. L. HUTCHINS. London: P. S. King and Son, 1908. 8vo, pp. x+339. 7s. 6d.

The author undertakes in this essay, which was left unfinished at the time of his sudden death, to analyze certain changes in the attitude of mind of the English public, in accordance with which, for the *laissez-faire* doctrine of the early nineteenth century, is substituted a sense of the widest responsibility for social well-being as a principle of governmental organization. It is, of course, true that the English government, beginning with the Public Health Act of 1854 (17 and 18 Vic., c. 95), if not with the Factory Acts of 1802 (42 Geo. II, c. 73), has been led to the acceptance of the doctrine that the "necessary provision for the weaker class of society is a social concern," and

so the state must "consider any remedy in the case of failure to make this provision and control its application" (p. 25).

The essay is a study, not in the readjustment of political machinery, but in the readjustment of political thinking, which readjustment in thinking manifests itself in the development of the governmental organization either in the form of the invention of new governmental devices for control or in the application of old devices to new needs. It is, indeed, a far cry from the resistance to control over the labor of factory children under ten to the acceptance of a policy including provision for the aged poor (8 Ed. VII, c. 40) and proposals for the creation of national labor exchanges.

For the interpretation of this change of political theory a discussion of the function of the philanthropist, the volunteer worker, and the agitator is necessary. To the members of the unpaid and unprofessional group, who became keenly alive to new needs on the part of weak members of the community not yet provided for by the governmental machinery, the community must look for "the popularizing of new ideas, for incentive to new forms of action." Without these "it is hard to see how progress can be gained in a modern democracy" (p. 303).

The members of these groups, however, while owing it to the community to create interest, excite sympathy, attract attention, and arouse fear, will always labor, in the view of the author, under the disability of their own arbitrary self-appointment; and only, therefore, when the idea urged by them upon the public has been embodied in governmental machinery and taken over as an ordinary function of government, to be performed either by ordinary government agents or under their supervision and control, can the social interest had in mind by the philanthropists be looked upon as duly recognized and safely provided for.

If such is the case the function of inspection by which shams are to be detected and abuses uncovered (p. 35) becomes of great significance. Given the results of inspection and the collection of sound, adequate statistical data, the imagination of the reformer has the raw material with which to urge advances to "lure the unthinking majority who will not take the trouble to master the necessary facts into a change in sentiment."

As the author belongs to the Fabian group it is needless to say that he differs irreconcilably with those who would lay special stress upon defects in character and lack of thrift as the cause of widespread poverty and suffering. His treatment of the Charity Organization Society is, therefore, not only brief, because incomplete, but unsympathetic. It is unfortunate that there is no acknowledgment of the extreme difficulty to be encountered by those who undertake to make conditions better in the face of repeated demoralization in the character of the objects of public concern. It may very well be that in the application of the poor law in rural communities there were included among the paupers many "whose employers' wage bill was paid by the poor rate" (p. 91), "and where a false sense of dependence was fostered since the workers were supposed to be dependent upon the rate payers when in fact they were more than earning all they got, and the employers were defrauding at once the laborers, and the rates" (p. 96). So it may be that those who interpret the condition of the laborers as being due to a lack of efficiency, of initiative,

of thrift, are in error. But the question may be raised whether the Charity Organization Society is not right when it demands that changes in outward conditions shall not be brought about either in such a way or at such a rate as involves the spiritual demoralization of those who would benefit materially from these changes.

The author has a keen and incisive mode of statement. There are suggestive and humorous comments, as, for example, "practical politics means always in the first place doing half the task in a leisurely fashion, and secondly, leaving the other half undone" (p. 83). One therefore regrets all the more that the form has the roughness of incompleteness. The editors have, however, rightly preferred to leave unfinished work unfinished, and there is value in the presentation of even so incomplete a study as this of the appropriation of governmental machinery by this idea of social obligation. S. P. B.

THE UNIVERSITY OF CHICAGO

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*State Insurance.* By FRANK W. LEWIS. Boston: Houghton, Mifflin Co., 1909. 8vo, pp. 233. \$1.25.

The author, who frankly announces his belief in state insurance, logically starts out by attempting to show the need for such a reform, and therefore begins with the defects in our present industrial system. He claims that a man has a right to a living and that that living must be reckoned to include the whole period of life and all its vicissitudes. In actual practice, however, as he believes, the wage contract is made "as though sickness, accidents, invalidity, and old age had been permanently banished from the earth," the inevitable consequence being great and recurrent distress and suffering among a large portion of the laboring class. In discussing the proper attitude of the state toward social legislation and arguing that insurance is one of the state's functions, he points to the steadily increasing activity of the government in so many lines, and insists that the state which protects the weak from the strong is fulfilling one of its most sacred and fundamental functions, a function especially incumbent upon a democracy. Why, he queries, is it not as much a proper function of the state, if it can do this effectively, to guarantee equality of opportunity as to guarantee political equality? A system which will be compulsory is necessary, furthermore, since "every other system ever devised has failed to reach those for whom it was especially prescribed." After describing the German system, the author reviews the situation as to accident insurance and workmen's compensation in different countries and shows how "the United States stands alone among the civilized nations of the world in adhering to the law of negligence as a solution of the problem of industrial accidents," while other nations have taken the forward step and made the financial burden of workmen's injuries a charge upon the particular industry. Turning to consider the various existing institutions, savings banks, friendly societies, trade union benefits, and insurance companies—organizations whose very presence shows the social need—he declares that "no one of them or all of them combined are adequate or even appropriate for the satisfaction of the need." In discussing the incidence an interesting, though one must fear impracticable,